

STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

1330 CONNECOTICUT AVENUE, N.W.
WASHINGTON, D.C. 20038-1788PHOENIX, ARIZONA
TWO RENAISSANCE SQUARETELEPHONE: (602) 257-5200
FACSIMILE: (602) 257-8299(202) 428-3000
FACSIMILE: (202) 428-3802
TELEX: 89-2503STEPTOE & JOHNSON INTERNATIONAL
AFFILIATE IN MOSCOW, RUSSIATELEPHONE: (011-7-501) 258-5250
FACSIMILE: (011-7-501) 258-5251SARA BETH WATSON
(202) 428-8490**CONFIDENTIAL
FOR SETTLEMENT PURPOSES ONLY**

July 30, 1996

VIA TELECOPYDamaris Cristiano, Esq.
Assistant Regional Counsel
Office of Regional Counsel
U.S. EPA - Region II
290 Broadway
New York, New York 10007-1866Re: SCP/Carlstadt De Minimis Settlement

Dear Ms. Cristiano:

I am writing to follow-up the conference call of July 29 among you, Betty Yu, Seth Goldberg and me regarding the proposed settlement. During the call we agreed that the deadline for submitting names and waste-in information to EPA and DoJ is now Monday, August 12, 1996. In addition, we will send you on Friday, August 2, updated information regarding waste allocation, corporate name changes and/or additional settling parties.

Seth and I spoke with William Willig, counsel for Schenectady International, on Monday immediately after our conference call. He will have to retrieve the documents from closed storage. He will send the material directly to EPA and DoJ.

Finally, two parties with waste allocation amounts above the 50,000 gallon cut-off contacted me yesterday after our conference call regarding participation in the settlement. I

598984

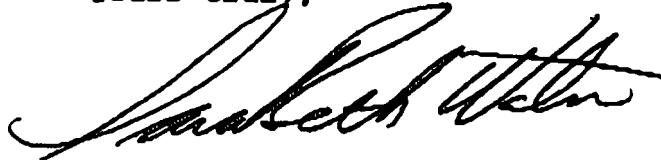


Damaris Cristiano, Esq.
July 30, 1996
Page 2

have suggested that these parties contact you directly regarding their concerns.

If you have any questions, please contact me at 202-429-6460.

Yours truly,

A handwritten signature in cursive script, appearing to read "Sara Beth Watson".

Sara Beth Watson

cc: Elizabeth Yu, Esq.
Department of Justice
Richard Puvogel,
EPA Region II
William Warren, Esq.
William Willig, Esq.

**STEPTOE & JOHNSON LLP
ATTORNEYS AT LAW**

PHOENIX, ARIZONA
FACSIMILE: (602) 257-5289
VERIFICATION: (602) 257-5287

1330 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-1795

XEROX 7032 (202) 429-3902
XEROX 7032 (202) 429-3903
XEROX 7021 (202) 429-3904
TELEX NO 89-2503
VERIFICATION (202) 429-8162

MOSCOW, RUSSIA
FACSIMILE: (011-7-501) 828-9701

(202) 429-3000
FACSIMILE: (202) 429-3902
TELEX: 89-2503

IMPORTANT: This facsimile is intended only for the use of the individual or entity to which it is addressed. It may contain information that is privileged, confidential, or otherwise protected from disclosure under applicable law. If the reader of this transmission is not the intended recipient or the employee or agent responsible for delivering the transmission to the intended recipient, you are hereby notified that any dissemination, distribution, copying or use of this transmission or its contents is strictly prohibited. If you have received this transmission in error, please notify us by telephoning and return the original transmission to us at the above address.

FROM

Name: Sara Beth Watson, Esq.

Request Made On Date: July 30, 1996

Time: 5:05 PM

Completion Required By Date: July 30, 1996

Time: asap

DELIVER TO

Name: Damaris Cristiano, Esq.

Organization or Firm: U.S. Environmental Protection Agency

Telecopy Phone Number: 212-637-3096

Verification Number: 212-637-3140

Special Instructions:

Total Pages & Cover Sheet: 3

Date Transmitted:

S&J Operator's Name:

Telephone Number:

Client/Case Number: 73708.0001